



Audit Committee
Agenda

Date: March 5, 2025
Time: 3:30 p.m.
Location: Council Chambers, City Hall, second floor
Contact: Committee Clerk, Suzanne.Gillies@burlington.ca, 905-335-7777, x 7862

Pages

1. Call to Order

2. Land Acknowledgement

Burlington as we know it today is rich in history and modern traditions of many First Nations and the Métis. From the Anishinaabeg to the Haudenosaunee and the Métis – our lands spanning from Lake Ontario to the Niagara Escarpment are steeped in Indigenous history.

The territory is mutually covered by the Dish with One Spoon Wampum Belt Covenant, an agreement between the Iroquois Confederacy, the Ojibway and other allied Nations to peaceably share and care for the resources around the Great Lakes.

We acknowledge that the land on which we gather is part of the Treaty Lands and Territory of the Mississaugas of the Credit.

3. Approval of the Agenda

4. Declarations of Interest

5. Delegations

Standing committee meetings are held at city hall, 426 Brant St. Requests to speak at this meeting can be made by completing the online delegation registration form at www.burlington.ca/delegate, by noon the business day before the meeting date. If you do not wish to speak, but would like to submit your comments in writing, please email your comments to clerks@burlington.ca. Written comments will be circulated to committee members.

6. Presentations

7. Consent Items

Reports of a routine nature, which are not expected to require discussion and/or debate. Staff may not be in attendance to respond to queries on items contained in the Consent Agenda.

7.1 Status of Management Action Plans (AUD-01-25) 1 - 6

Receive for information office of the city auditor report AUD-01-25 regarding status of Management Action Plans for Q1 2025.

7.2 Quarterly dashboard for the office of the city auditor (AUD-02-25) 7 - 10

Receive for information office of the city auditor report AUD-02-25 regarding Quarterly Dashboard for office of the city auditor as of Q1 2025.

8. Regular Items

8.1 Community Grants Audit (AUD-03-25) 11 - 32

Receive for information office of the city auditor report AUD-03-25 regarding Community Grants Audit attached as Appendix A.

8.2 Audit Plan for office of the city auditor 2025 (AUD-05-25) 33 - 39

Approve the Audit Plan for office of the city auditor 2025 attached in Appendix-A of report AUD-05-25.

8.3 Performance management process for the City Auditor (AUD-06-25) 40 - 45

Approve the performance management process and goals for the City Auditor identified in office of the city auditor report AUD-06-25.

8.4 Election of Chair and Vice Chair effective June 11, 2025 for the term to expire November 14, 2026

9. Confidential Items and Closed Meeting

Confidential reports may require a closed meeting in accordance with the Municipal Act, 2001. Meeting attendees may be required to leave during the discussion.

- 9.1 Confidential Appendix B regarding status of management action plans (AUD-01-25)

Pursuant to Section 239(2)(a) of the Municipal Act, the security of the property of the municipality or local board.

- 9.2 Confidential Cyber-Security Audit (Detect and Respond) (AUD-04-25)

Pursuant to Section 239(2)(a) of the Municipal Act, the security of the property of the municipality or local board.

10. Rise and Report

11. Information Items

12. Staff Remarks

13. Committee Remarks

14. Adjournment

SUBJECT: Status of Management Action Plans

TO: Audit Committee

FROM: Corporate Affairs
City Auditor

Report Number: AUD-01-25

Wards Affected: Not applicable

Date to Committee: March 5, 2025

Date to Council: March 18, 2025

Recommendation:

Receive for information office of the city auditor report AUD-01-25 regarding status of Management Action Plans for Q1 2025.

Executive Summary

Purpose of report:

- The City Auditor follows-up with management about the progress of all past audit recommendations. This is a quarterly report that summarizes that progress.

Key findings:

- Progress has been demonstrated to management since the last quarterly update. Four Management Action Plans have been completed.
- One past recommendation has been determined by management to not be feasible for implementation and, therefore, management accepts the risk of not implementing the audit recommendation.

Implications:

- The City bears a risk of not implementing the audit findings from the Cyber-Security Audit-Identify Controls. However, management believes that there are sufficient compensating controls that exist to reduce this risk to a tolerable level.

Information Report

Background

At the conclusion of most audit projects, the City Auditor provides an audit report to management which typically identifies one or more recommendations for Management to address. Management's response to these recommendations is called 'Management Action Plans' (MAPS).

Standard 15.2 of the Global Internal Auditing Standards sets out requirements of internal auditors to ensure that Management Action Plans have been effectively implemented. This applies in all cases except where "senior management has accepted the risk of not taking action". The City Auditor follows-up regularly with management in departments/divisions that previously received audit projects to ensure that there is progress against their respective MAPS. The following report to Audit Committee (submitted quarterly) is a summary of that progress.

Status

Below is a summary of the In-Progress Management Action Plans (MAPS) from the last report to Audit Committee on Dec 4, 2024 (Report CA-16-24).

Audit Project Name:	High	Medium	Low	
Cyber-Security Audit (2022-Identify)	1	0	0	
Environmental Stewardship Strategies Audit	0	3	0	
Cyber-Security Audit (2023-Protect)	1	3	2	
Procurement Audit	0	0	3	
	2	6	5	Total In-Progress

Below is a summary of the in-progress MAPS as of March 5, 2025:

Audit Project Name:	High	Medium	Low	
Cyber-Security Audit (2022-Identify)	0	0	0	
Environmental Stewardship Strategies Audit	0	3	0	
Cyber-Security Audit (2023-Protect)	1	2	0	
Procurement Audit	0	0	2	
	1	5	2	Total In-Progress

The City Auditor reviewed the detailed progress updates from Management against the original Management Action Plans from the audit report (see Appendix-A and Confidential Appendix-B); four were successfully completed over the past quarter. One audit finding from the Cyber-Security Audit (2022-Identify) has been closed (not completed). Per discussion with Management, they have determined that it is not feasible to implement the audit

recommendation as envisioned in the original audit report (see Confidential Appendix-B for their detailed rationale).

The tables above indicate the remaining (or incomplete) MAPS. The City Auditor will continue to follow-up with accountable management until all MAPS are complete. Please note that past Cyber-Security Audits were presented to Audit Committee 'in-camera' and as a result, quarterly updates will be reported confidentially going-forward.

Key Dates & Milestones

This report is an accountability and transparency mechanism that occurs on a quarterly basis. The next report to Audit Committee in this regard will be on June 11, 2025.

Implications

There is no immediate financial impact from this report, however there may be a financial impact from staff executing their respective Management Action Plans; those impacts would be captured through the annual budget process.

There are no immediate climate impacts from this report. The City Auditor's follow-up process was conducted entirely remotely which saved vehicular trips to City facilities, thereby reducing greenhouse gas emissions. Meeting materials and audit evidence were entirely sent electronically, thereby reducing the consumption of paper.

Staff from the Environment and Energy, Finance/Procurement and Burlington Digital Services teams contributed their time to provide progress updates in this report. That time was not measured.

References

- [CA-16-24](#) - Status of Management Action Plans
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Strategic Alignment

- Designing and delivering complete communities
 - Providing the best services and experiences
 - Protecting and improving the natural environment and taking action on climate change
 - Driving organizational performance
-

Author:

Respectfully submitted,
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Appendices:

- A. Appendix-A: Detailed summary of Management Action Plans
- B. Confidential Appendix-B: Detailed summary of Management Action Plans re: Cyber-Security Audits

Report Approval:

All reports are reviewed and approved by the Head of Corporate Affairs, Chief Financial Officer, and Commissioner of Legal and Legislative Services/City Solicitor.

AUD-01-25 - Appendix-A: Outstanding Management Action Plans as of Feb 12, 2025

Department	Function	Audit Report	Audit Report Date	Audit Finding Number	Risk Rating	Details of Audit Issue				Number of:		Owner	
						Audit Recommendation	Management Action Plan	Expected Completion Date	Revised Completion Date	Status	Days Past Due		Times Completion Date Revised
Public Works	Environment & Energy	Environmental Stewardship Strategies Audit	22-Nov-23	1	Medium	<p>1. A dedicated workplan or implementation schedule should be created for each strategy containing all specific actions/programs, objectives, owner/accountable individuals, expected deadlines and current status. These workplans should be updated continuously by Environment & Energy staff.</p> <p>2. Annual reporting back to Council should have a tracking system (i.e. table) of all recommended actions and their respective status (i.e. complete, in progress, not started, delayed etc.). Alternatively, a red-yellow-green approach may be used to demonstrate status/progress.</p> <p>3. For the next CEEMP (due to Council in June/July 2024) and BCAP (due to Council in mid-2025); the number and scale of implementation actions recommended by consultants and accepted by staff should be reduced to a feasible scope of work. In addition, only actions that the City can influence or exert control should be recommended to Council unless there is a documented commitment from an external stakeholder. Lastly, workplan actions should be written in an action-orientated way with specific, measurable, achievable, relevant, and time-bound targets.</p> <p>4. The Environment and Energy Team should seek consulting assistance from the staff within the Corporate Strategy Team for developing workplans for the BCAP and CRB. Consulting advice from the Corporate Strategy Team should be sought prior to the approval of the next iteration of the CEEMP in mid-2024.</p>	<p>1. E&E staff will create detailed workplans/implementation schedules for each of the three plans. Specifically a workplan will be created for new Corporate Energy and Emissions Management Plan (CEEMP) to be completed in 2024. For Climate Resilient Burlington, staff will use the Action table in the plan to create a more detailed implementation workplan. A workplan will be created for the Climate Action Plan (BCAP) for the seven program areas, noting the specific actions that are being implemented to support the plan.</p> <p>2. A system to track and report on progress of climate plan actions will be developed for each plan to present in annual reports.</p> <p>3. Updated CEEMP and BCAP will be more concise with a focus on actions that the City has direct control and/or authority. The CEEMP will be updated in 2024 and the BCAP will be updated in 2025.</p> <p>4. E&E staff will ask the Corporate Strategy Team for advice and guidance on the development of the workplans for the each of the three plans.</p>	<p>1. Q2 2024 2. Q2 2024 3. Q2 2025 4. Q1 2024</p>	-	<p>March 5, 2025 – IN PROGRESS (#3) Action 3 – BCAP renewal in progress – target to be completed Q2 2025.</p> <p>December 4, 2024 – IN PROGRESS (#3) Action 3 – Partially complete with updated CEEMP. BCAP will be updated in 2025.</p> <p>September 11, 2024 - IN PROGRESS (#3 only, others complete): Progress report for the Climate Action Plan with a summarized workplan was included in the July 5th Council Information Package with the updated workplan tracking progress. Management Action 1, 2 and 4 are complete. Action item #3 will be completed in 2025 with updated Climate Action Plan. The CEEMP portion of item #3 was completed with the updated plan.</p> <p>June 12, 2024 - IN PROGRESS: Environment and Energy staff met with the Corporate Strategy (CS) Team to discuss updating workplans to provide more detail in the first quarter of 2024. CS staff have offered continued support to Environment and Energy staff. The second annual progress report on the CRB plan was presented to Committee of the Whole in May 2024. A more detailed implementation workplan has been completed and was presented with status updates for each of the 32 actions. The updated Corporate Energy and Emissions Management Plan is currently being finalized to be presented to Council in July 2024 with an associated detailed workplan included. An updated workplan for the Climate Action Plan has been completed. The Climate Action Plan will be updated for 2025 with a new workplan.</p> <p>March 6, 2024 - IN PROGRESS: On track to meet expected completion dates. Environment & Energy staff have a meeting scheduled with Corporate Strategy Team to discuss workplans in February 2024.</p>	-	-	Manager, Environmental Sustainability Coordinator, Sustainability Projects Supervisor, Energy & Emissions
Public Works	Environment & Energy	Environmental Stewardship Strategies Audit	22-Nov-23	2	Medium	<p>1. Annual updates to Council should include some key performance indicators recommended within the BCAP and CRB.</p> <p>2. Environment & Energy staff should re-evaluate the feasibility of the KPI's recommended by their consultant when the BCAP was prepared. KPI's to support the BCAP must demonstrate progress towards the overall BCAP goal of the "community being net carbon neutral by 2050" while not being administratively burdensome to collect, analyze and report on key data sets. a. The quantity of KPI's should be rationalized to a manageable number. b. Data sets to support KPI's should be accessible and not overly burdensome to collect, analyze and report upon.</p> <p>3. KPI targets in the CRB should be updated once further information is received from inter-dependent City reports.</p> <p>4. Future reporting to Council regarding the CEEMP should include KPI forecasting of progress against the 2019 CEEMP target of "City's operations become net carbon neutral by 2040". This forecast should include a detailed analysis which includes new City buildings added in 2022 (and beyond) and its impact on meeting the net carbon neutrality goal by 2040.</p> <p>5. The Environment and Energy Team should seek consulting assistance from the staff within the Corporate Strategy and Data Analytics & Visualizations teams with developing and reporting upon KPI's.</p>	<p>1. The Manager, Environmental Sustainability and the Supervisor, Energy & Emissions will assess relevant KPIs to report on, based on availability of data.</p> <p>2. The Manager, Environmental Sustainability will re-evaluate the feasibility of KPIs in the BCAP when it is being renewed, due in 2025. Many of the indicators in the existing BCAP were based on a model by the plan consultant to show what it would take for Burlington to achieve being a net carbon neutral community by 2050 and do not necessarily reflect data that is available to the City to track.</p> <p>3. The Coordinator, Sustainability Projects commits to an annual review of the indicators with the CRB Implementation Team to ensure they are consistent with other City reports and plans.</p> <p>4. The updated CEEMP will include forecasted targets against the overall target of being net carbon neutral in the City's operation. The forecast and targets will include all known and assumed expansion of overall corporate square footage.</p> <p>5. E&E staff have been working with the Corporate Strategy and Data Analytics & Visualizations teams to develop and report on KPIs in a new dashboard to support the 'From Vision to Focus' workplan.</p>	<p>1. Q2 2024 2. Q2 2025 3. Annual review/ Ongoing 4. Q2 2024 5. Q1 2024</p>	-	<p>March 5, 2025 – IN PROGRESS (#2): Action 2 re: BCAP – KPIs will be developed for the updated BCAP to be completed Q2 2025. Action 5 - Environment and Energy staff will support the development of the new corporate dashboard for reporting KPIs as required – 2025.</p> <p>December 4th, 2024 – IN PROGRESS (#2): Action 2 – are being assessed for the next edition of the BCAP Action 3. Ongoing progress with CRB Plan – KPIs continue to be refined (added, deleted or updated) as needed for better representation in collaboration with the staff team and alignment with other corporate plans. Action 5 - Reporting on KPIs in a dashboard format is still ongoing with city staff to coordinate with V2F reporting.</p> <p>September 11, 2024 - IN PROGRESS (#2): Relevant KPIs have been assessed related to both the Climate Action Plan and CEEMP (Action 1 Complete). Refinements will be made as new Climate Action Plan is completed, based on available data. (Action 2) CRB Plan – KPIs continue to be refined (added, deleted or updated) as needed for better representation in collaboration with the staff team. (Action 3 - ongoing) The updated CEEMP includes new targets, including square footage targets, accounting for growth of city facilities. (Action 4 - complete) Reporting on KPIs in a dashboard format is still ongoing with city staff to coordinate with V2F reporting. (Action 5)</p> <p>June 12, 2024 – IN PROGRESS: Environment and Energy staff met with the Data Analytics and Visualization Team to discuss reporting on key performance indicators and dashboards. The Vision to Focus dashboard has been on hold but the Data Analytics team have offered to assist developing visual representations of the climate plans. More work to happen here. CRB Plan – KPIs continue to be refined (added, deleted or updated) as needed</p>	-	-	Manager, Environmental Sustainability Coordinator, Sustainability Projects Supervisor, Energy & Emissions

Department	Function	Audit Report	Audit Report Date	Details of Audit Issue				Number of:		Owner			
				Audit Finding Number	Risk Rating	Audit Recommendation	Management Action Plan	Expected Completion Date	Revised Completion Date		Days Past Due	Times Completion Date Revised	
Public Works	Environment & Energy	Environmental Stewardship Strategies Audit	22-Nov-23	3	Medium	<p>1. The number of actions and programs in the three environmental stewardship strategies should be reduced to within a manageable workplan feasible for the current staffing envelope of four professional staff. Request new operating funding to execute actions/programs in the environmental stewardship strategies through the annual budget process with a business case once workplans have been updated.</p> <p>2. The next CEEMP and BCAP should have more accurate financial costing of actions and programs. Those actions should be forecasted into the Finance multi-year operating and capital budget presented to Council for approval.</p> <p>3. Review the City's environmental partnerships with external organizations to measure the benefit provided to the City of Burlington. Under this review, evaluate whether financial support provided to these organizations can be better utilized to implement actions/programs within the City's environmental strategies.</p>	<p>1. As the CEEMP and BCAP are updated, recommended actions will be focused to ensure resources are available to implement the plans. As noted above, workplans will be created to identify associated funding requirements for specific actions. Business cases (change forms) will be submitted to support actions through the annual budget review process. Note that many climate actions identified in the plans are led by other departments.</p> <p>2. The Manager, Environmental Sustainability and for the Supervisor, Energy & Emissions will review financial costing of actions and programs to forecast multi-year budgets. This work may be tied to the updating of the current plans in 2024 and 2025 respectively.</p> <p>3. A review of partnerships with external environmental organizations and community stakeholders is in progress. Further consultation is required with council, staff and key external stakeholders to assess how to strategically support local organizations to deliver effective community climate action initiatives.</p>	<p>1. Q2 2024 2. Q2 2025 3. Q2 2024</p>	-	<p>March 5, 2025 – IN PROGRESS (#1) Action 1 re: BCAP: Draft BCAP actions are under development. Focus will be on those actions that the City can implement to support a low carbon footprint for the community. Business cases will be submitted for the budget review and approval process for individual actions as required.</p> <p>December 4, 2024 – IN PROGRESS (#1 & 2): Action 1 – Partially completed with CEEMP. BCAP to be updated in 2025 with funding requirements. Action 2 – Partially completed – energy projects are incorporated into the ten year capital budget. BCAP projects – some funding is tied to other departmental programs like the Integrated Mobility Plan and Transit.</p> <p>September 11, 2024 - IN PROGRESS (#1 & 2): The new CEEMP includes specific actions – Supervisor of Energy participates in capital budget discussions to implement the plan. BCAP to be updated in early 2025. (Actions 1 and 2) Reports to council on BurlingtonGreen and Bay Area Climate Change Council are complete (Action 3).</p> <p>June 12, 2024 – IN PROGRESS: Review of the 2025 capital and operating budget has begun with Energy staff reviewing both and incorporating items included in the updated CEEMP. Climate Action Plan - Staff directions approved by council to consider sustainable funding contributions to continue the Better Homes Burlington and the Solar Grant Pilot program in the 2025 budget process. Council re-affirmed its commitment to funding the Bay Area Climate Change Council and approved funding in 2024 for a fee for services approach with BurlingtonGreen. A staff direction was also approved to consider ongoing funding for BurlingtonGreen in the 2025 budget process. As the Climate Action Plan is updated, a review of key stakeholders will be completed to assess community representation.</p>	-	-	Manager, Environmental Sustainability Coordinator, Sustainability Projects Supervisor, Energy & Emissions
Finance	Procurement Services	Procurement Audit	20-Aug-24	1	Low	Procurement Services should undertake a review of all procurement-related policies and standard operating procedures. The review should focus on corporate strategic alignment with the Procurement Bylaw and incorporate leading practices related to policy writing.	Procurement Services will ensure policies owned by the Manager, Procurement Services are reviewed as scheduled in each individual policy. Although this has taken place for some, they were not accurately documented. Manager, Procurement Services will work with the Clerk to ensure the documentation is up to date. Additionally, the Manager of Procurement services will contact policy owners, as mentioned, to ensure consistency and relevancy in documentation.	31-Dec-24	-	<p>March 5, 2025 – COMPLETE Policies have been reviewed; revisions are actively occurring. Done.</p> <p>December 4, 2024 - IN PROGRESS: On track for completion by deadline.</p>	-	0	Melissa Mordue, Manager of Procurement Services
Finance	Procurement Services	Procurement Audit	20-Aug-24	2	Low	<p>1. Human Resources (HR) in conjunction with the Manager, Procurement Services should undertake a review of all City jobs/positions and develop a customized training campaign that captures any staff positions that may conceivably procure goods and/or services on behalf of the City (as a part of their job duties). Once this training campaign is designed, all staff in those positions should be automatically enrolled in the Procurement Fundamentals training.</p> <p>2. Procurement Services should develop and execute corporate-wide communications to reinforce the requirement to take the Procurement Fundamentals course by a deadline (i.e. end of 2024) and seek support from members of the Executive Leadership Team (XLT) to further drive performance.</p>	<p>1. HR and Procurement Services will utilize the prebuilt Workday roles that allow procurement activities to occur as the definition of which employees require Procurement Fundamentals training. We will further gain support from Commissioners by ensuring they are aware and agreeable to the positions that have been assigned these Workday roles. The Procurement Services team will continue to receive completion reports from the system to monitor for compliance.</p> <p>2. Procurement Services actively meets with departments both annually and on demand. The team will ensure active and ongoing messaging around training requirements, with a holistic approach to communication, including both verbal and written reminders. Procurement Services will provide the following guidelines to complete Procurement Fundamentals training to front-line staff and XLT members: within three months for new hires and by March 31, 2025 for existing staff who haven't yet completed the training.</p>	<p>1. Dec 31, 2024 2. March 31, 2025 & on-going</p>	-	<p>March 5, 2025 – IN PROGRESS 1. Training has been assigned and is actively being tracked, with a nearly 78% completion rate. Done. 2. This is in progress, as Procurement continues to meet with stakeholder departments. On track for completion.</p> <p>December 4, 2024 - IN PROGRESS: 1. Roles have been provided to HR for Procurement Fundamentals training assignment. 2. Communication and plan being developed.</p>	-	0	1. Andrea Naismith, Consultant, Organizational Development 2. Melissa Mordue, Manager of Procurement Services
Finance	Procurement Services	Procurement Audit	20-Aug-24	3	Low	Procurement Services should develop new and enhanced reports in Workday to identify procurement trends, strategic opportunities and/or exceptions. Once those reports are designed, all members of the Procurement Services team should receive training on how to execute those reports. Procurement Services should utilize new and enhanced Workday reports to share strategic analysis and opportunities with the Executive Leadership Team (XLT) and their departments/divisions on an annual basis and to complement its annual reporting to Council.	Through Workday standard and customized reporting Procurement Services is now able to accurately track various purchase types, including Single Source, Non-compliant, Contracted and non-contracted spends. While the default reporting functionality in Workday meets some needs, Finance will be on-boarding a contract position who will be responsible for the design of custom reports with more robust analytical capability. Procurement Services will work to communicate annually to XLT leaders and their departments on departmental spending trends, and opportunities. The first communication will occur after one year of data collection in Workday.	31-Mar-25	30-Jun-25	<p>March 5, 2025 – IN PROGRESS This item will require more time as we work through the nuances of Workday.</p> <p>December 4, 2024 - IN PROGRESS: On track for completion by deadline.</p>	-	1	Melissa Mordue, Manager of Procurement Services

SUBJECT: Quarterly dashboard for the office of the city auditor

TO: Audit Committee

FROM: Corporate Affairs
City Auditor

Report Number: AUD-02-25

Wards Affected: Not applicable

Date to Committee: March 5, 2025

Date to Council: March 18, 2025

Recommendation:

Receive for information office of the city auditor report AUD-02-25 regarding Quarterly Dashboard for office of the city auditor as of Q1 2025.

Executive Summary

Purpose of report:

- The City Auditor provides a quarterly report containing key performance indicators for the Audit Committee. This dashboard is an accountability and transparency mechanism intended to demonstrate the quarterly progress of audit work by the City Auditor to Audit Committee.

Key findings:

- Please see Appendix A-Quarterly Dashboard for Office of the City Auditor for more information.

Implications:

- There are no implications from this report; it is for information only.

Information Report

Background

Through report# [CA-05-22](#) (dated June 8, 2022), the City Auditor committed to providing a quarterly dashboard of key performance indicators (KPIs) to Audit Committee. These KPIs were developed from an analysis of literature published by the Institute of Internal Auditors and is considered a leading practice amongst Directors of Internal Audit at other organizations.

Status

The objective of the City Auditor’s quarterly dashboard is to provide Audit Committee with a one-page summary of the key performance indicators for the Office of the City Auditor and demonstrate progress against the Annual Audit Plan. This report is for informational purposes but helps to inform the performance management process for the City Auditor described in report #AUD-06-25, dated March 5, 2025.

Key Dates & Milestones

This report is an accountability and transparency mechanism that occurs on a quarterly basis. The next report to Audit Committee in this regard will be on June 11, 2025.

Implications

There is no immediate financial impact from this report. Funding identified in the attached dashboard is provided through the operating budget of the Office of the City Auditor; approved annually by City Council.

References

[CA-05-22](#) – Quarterly Dashboard report for Office of the City Auditor

Strategic Alignment

- Designing and delivering complete communities
 - Providing the best services and experiences
 - Protecting and improving the natural environment and taking action on climate change
 - Driving organizational performance
-

Author:

Respectfully submitted,
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Appendices:

- A. Appendix A: Quarterly Dashboard for Office of the City Auditor

Report Approval:

All reports are reviewed and approved by the Head of Corporate Affairs, Chief Financial Officer, and Commissioner of Legal and Legislative Services/City Solicitor.



**City of Burlington
Office of the City Auditor
DASHBOARD**

**Report #
AUD-02-25
Effective:
Feb 18, 2025**

Audit Plan Status

Audit Plan (pending approval on March 5)	Percentage Complete	Audit Phase	Project Status	Due Date
Cash Handling/Revenues	<div style="width: 70%;"><div style="background-color: #0070C0; height: 10px;"></div></div> 70%	Fieldwork	In Progress	11-Jun-25
Fleet Services: AVL post-implementation	<div style="width: 0%;"><div style="background-color: #0070C0; height: 10px;"></div></div> 0%	-	Not started	11-Jun-25
Development Applications Review	<div style="width: 0%;"><div style="background-color: #0070C0; height: 10px;"></div></div> 0%	-	Not started	10-Sep-25
Procurement Card (P-Card) Audit	<div style="width: 0%;"><div style="background-color: #0070C0; height: 10px;"></div></div> 0%	-	Not started	3-Dec-25
Whistleblower Policy & Program implementation	<div style="width: 15%;"><div style="background-color: #0070C0; height: 10px;"></div></div> 15%	Planning	In Progress	31-Dec-25

Highlights from the Last Quarter

- Community Grants Audit - Audit was completed in February. See report AUD-03-25.
- Cyber-Security (Detect/Respond) Audit - Audit was completed in January. See report AUD-04-25.
- Cash Handling/Revenues - Fieldwork phase was on-hold pending completion of Grants and Cyber audits; work has resumed as of late February.
- Anti-fraud Program: At the request of HR, leading corporate-wide communications campaign for "Fraud Prevention Month" with new messaging related to employee benefit fraud scenarios found in other organizations. Also reviewing and following up on anti-fraud training.
- Updating 2025 Audit Plan to address Audit Committee motion of Dec 4, 2024 to add a 'Development & Growth Management' audit.
- Transitioning Whistleblower Policy work from an advisory project to a co-leading role with HR. Prepared a detailed workplan, drafted a comprehensive policy/procedure based on benchmarked leading practices, completed a market scan of potential vendors, interviewed three Directors of Audit from other municipalities to discuss their experiences, held two product demonstrations with leading vendors and briefed CAO and Corporate Affairs about progress.
- Multiple meetings, research, follow-ups and external consultation regarding Cyber-Security (Identify controls) Audit observations #4 (see report AUD-01-25).
- Completed 2024 performance management process for the City Auditor; prepared 2025 performance management process and new goals.
- Began studying and preparation for Certified Information Systems Auditor (CISA) certification to support 2025 performance goal (Note: this is

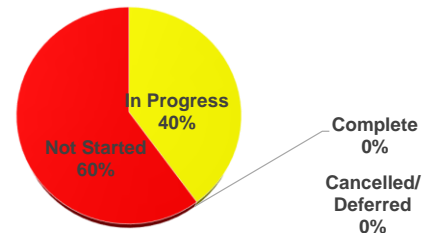
Changes to Annual Audit Plan

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Other Initiatives

Project Name	Status
Advisory - Supporting Risk Community of Practice	Continuous
Advisory - Supporting Burlington Action Response Team	Continuous
Admin - Performance Management process	In Progress
Advisory - Fraud Prevention Month	In Progress

2025 Audit Plan



Key Performance Indicators (KPI's)

	Actual to Date	Target	Comments
Output			
Completion of Audit Plan	0.0%	100%	See chart above for details.
Percentage of recommendations accepted by Management	100%	95%	
Percentage of recommendations completed	69.2%	85%	14 New MAPS added in 2024
Percentage of recommendations completed by the original agreed date	83.3%	85%	
Quality			
Post Audit Survey	86.3%	85%	Includes all 2022-2024 Audits
Quality Assurance Review	100%	100%	Includes all 2022-2024 Audits
Continuing Professional Education			
Chartered Professional Accountant (CPA) & CIA/CRMA/CFE Certifications	7	40	Webinars: Cyber, AI, 2025 Audit

Budget

	BUDGET	ACTUALS	Variance (\$)
Professional Development (i.e. Training, Prof. Memberships)	\$5,000	\$0	\$5,000 A
Purchased Services (i.e. External Consulting, Mobile phone)	\$42,520	\$105	\$42,415 B

Note **A** - Memberships to IIA, ACFE, MIAA, CPA.

Note **B** - Cyber-Audit audit fees invoice expected in March.

SUBJECT: Community Grants Audit

TO: Audit Committee

FROM: Corporate Affairs
City Auditor

Report Number: AUD-03-25

Wards Affected: Not applicable

Date to Committee: March 5, 2025

Date to Council: March 18, 2025

Recommendation:

Receive for information office of the city auditor report AUD-03-25 regarding Community Grants Audit attached as Appendix A.

Executive Summary

Purpose of report:

- This audit was approved by Audit Committee as a part of the 2024 Audit Plan and the final audit report, attached as Appendix-A is for Audit Committee's information.

Key findings:

- Overall, the City has an effective management control system for delivering community grant programs. No high-risk issues were identified during the audit.
- Five key areas were deemed to be operating effectively including communications/marketing of Recreation, Community and Culture (RCC) grants, record keeping, policy framework and coordination amongst RCC staff.
- Five audit findings related to grant administration were identified with opportunities to streamline or improve the efficient execution of the programs.

Implications:

- Five audit recommendations are provided in the audit report which should improve the delivery and efficient administration of the grant programs.

Information Report

Background

Audit Committee approved the Community Grants Audit as a part of the 2024 Audit Plan. The objectives of the audit were to assess the overall effectiveness of internal controls supporting grants management and administration processes in accordance with City policies. A secondary objective was to ensure that the entire portfolio of funding/grant programs are aligned with Council's (current) approved strategies.

City Council has approved a wide variety of financial grant programs to various stakeholder community groups over multiple years. Many of these granting programs are governed by Council approved bylaws or by corporate policies. The following grant programs were examined under this review:

- Burlington Arts and Culture Fund
- Community Development Fund
- Love My Neighbourhood,
- Neighbourhood Community Matching Fund
- Plumbing Permit Fee Grant Program
- Community Heritage Fund
- Flood Relief Grant

Status

The financial impact of these grants includes an operating budget of approximately \$200,000 from the tax levy, three reserve funds of approximately \$730,000 (Community Heritage Fund, Cultural Initiatives and Community Investment) and approximately \$720,000 expended through the Flood Relief Grant in 2024. Although the total financial impact to the City is relatively low, the risk of fraud is high given this business process involves direct financial grants to individuals and community organizations in relatively small increments. In addition, there may be a reputational risk to the City should grants be provided in an inconsistent or inequitable manner.

The principal risk associated with this internal audit is that financial grants may not be administered/approved in a transparent, equitable and accountable manner. This was rated a “high” risk from an inherent perspective at the beginning of the audit. Through the completion of audit fieldwork and having evaluated the control framework associated with the financial grants in scope; the residual risk rating is “medium.” Other audit risks included: grants may not be successfully contributing to Council's desired strategic objectives and the City may suffer an impaired reputation resulting from grant programs if they are administered inconsistently or ineffectively.

The audit report (attached as Appendix-A) provides more details of the audit findings and recommendations for improvement.

Key Dates & Milestones

The audit was initiated in September 2024 and was completed in February 2025. Going forward, the City Auditor will follow-up on Management's progress to execute and implement the audit recommendations in the audit report. Audit Committee will receive an update on June 11, 2025.

Implications

There was no cost to perform this audit except for the City Auditor's time. A total of 176 hours were incurred to perform this audit.

Multiple City staff from other departments were involved in this internal audit from RCC, Community Planning, Legal Services, Finance and Building Services. Management and staff's efforts included meetings, interviews, preparing and sharing documentation/evidence, reviewing the draft audit report and preparing Management Action Plans. This amount of time was not tracked by the City Auditor.

There are no immediate climate impacts from this report. The City Auditor's audit process was conducted entirely remotely which saved vehicular trips to City facilities, thereby reducing greenhouse gas emissions. Meeting materials and audit evidence were entirely sent electronically, thereby reducing the consumption of paper.

Strategic Alignment

- Designing and delivering complete communities
 - Providing the best services and experiences
 - Protecting and improving the natural environment and taking action on climate change
 - Driving organizational performance
-

Author:

Respectfully submitted,
Maciej Jurczyk, CPA, CIA, CRMA, LSSGB, CFE
City Auditor
905-335-7777

maciej.jurczyk@burlington.ca

Appendices:

A. Appendix-A: Community Grants Audit Report

Report Approval:

All reports are reviewed and approved by the Head of Corporate Affairs, Chief Financial Officer, and Commissioner of Legal and Legislative Services/City Solicitor.



Office of the City Auditor

Community Grants Audit

Audit Unit: Recreation, Community & Culture
Community Planning
Building Services
Legal Services

Auditor: Maciej Jurczyk, City Auditor

Distributed To: City of Burlington Audit Committee

Jacqueline Johnson, Commissioner, Community Services
Emilie Cote, Director, Recreation, Community & Culture
Denise Beard, Senior Manager, RCC Community Development
Emily Beijes, Senior Manager, RCC Business Services
Mandy Kerr, Recreation Planner

Curt Benson, Commissioner, Develop & Growth Management
Jamie Tellier, Director, Community Planning
Kyle Plas, Manager, Development & Design
Todd Evershed, Supervisor, Special Projects & Urban Design
Chloe Richer, Senior Planner, Heritage

Nick Anastasopoulos, Director, Building Services & CBO

Blake Hurley, Commissioner, Legal and Legislative Services/City
Solicitor
Justyna Hidalgo, Deputy City Solicitor

cc: Haassan Basit, Chief Administrative Officer
Leah Bortolotti, Head of Corporate Affairs

Date Issued: February 21, 2025

EXECUTIVE SUMMARY

BACKGROUND

In accordance with the 2024 Audit Plan, the City Auditor performed an operational and compliance review of the portfolio of City grant programs. The objectives of the audit were to assess the overall effectiveness of internal controls supporting grants management and administration processes in accordance with City policies. A secondary objective was to ensure that the entire portfolio of funding/grant programs are aligned with Council's (current) approved strategies.

City Council has approved a wide variety of grant programs to various stakeholder community groups over multiple years. Many of these granting programs are governed by Council approved bylaws (i.e. Bylaw 16-1993 being a bylaw to establish a Community Heritage Fund) or by corporate policies (i.e. Community Investment Policy, approved Dec. 2015). These granting programs are delivered in a decentralized model across various City departments; and in all cases without dedicated staffing due to their relatively modest scope and financial resourcing. These grant programs are mature in that they've been operating for many years and have developed strong internal controls which include: Letters of Agreement with applicants, objective points-based scoring methodologies, juries made up of multiple staff (and in one case external experts) and well documented terms and conditions.

The financial impact of these grants includes an operating budget of approximately \$200,000 from the tax levy, three reserve funds of approximately \$730,000 (Community Heritage Fund, Cultural Initiatives and Community Investment) and approximately \$720,000 expended through the Flood Relief Grant in 2024. Although the total financial impact to the City is relatively low, the risk of fraud is high given this business process involves direct financial grants to individuals and community organizations in relatively small increments. In addition, there may be a reputation risk to the City should grants be provided in an inconsistent or inequitable manner.

SCOPE

The scope of the audit was focused on the following grant programs:

- Burlington Arts and Culture Fund
- Community Development Fund
- Love My Neighbourhood,
- Neighbourhood Community Matching Fund
- Plumbing Permit Fee Grant Program
- Community Heritage Fund
- Flood Relief Grant

The scope of the audit did not include the following:

- Fee waiver or rent reduction programs
- Grants or financial transfers to the City's agencies, boards and commissions including: Burlington Public Library (BPL), Burlington Performing Arts Center (BPAC), Burlington Tourism, Burlington Economic Development Corporation (BEDC), Burlington Museums, Aldershot Village Business Improvement Area (AVBIA) and Downtown Burlington Business Improvement Area.

- Property tax rebates such as “Heritage Property Tax Rebate”

The audit methodology included:

- Interviews with City personnel to understand in detail the scope, objectives and business process(es) for various community funding and grant programs.
- Assessing the effectiveness of the City’s grant/funding programs against their stated objectives and/or KPI’s.
- Evaluating the adequacy of funding/resourcing for the City’s portfolio of grants/programs against their respective demand.
- Reviewing the terms and conditions for each grant/program.
- Reviewing a sample of grants from to ensure compliance within existing policies and procedures. This included a review of application intake process, eligibility of recipients, processing grant applications, evaluation criteria, governance/decision-making, potential conflict of interest, financial award, reporting.
- Benchmarking the City’s various grant programs against other comparable municipalities including their form, function and funding allowance(s). See listing of comparable municipalities in Appendix II.

INTERNAL AUDIT FINDINGS

Overall, the City has an effective management control system for delivering community grant programs. No high-risk issues were identified during the audit. The following areas were deemed to be operating effectively:

1. The Burlington Arts & Culture Fund is well designed and operating effectively with strong internal controls.
2. The communications/marketing for the Burlington Arts & Culture Fund, Love My Neighbourhood, Community Development Fund, Neighbourhood Community Matching Program, Flood Relief Grant was effective as evidenced by their strong community demand.
3. Policies, procedures, guidelines were generally well written and comprehensive.
4. Document retention of evidence to substantiate approvals of grants was effective. No missing evidence was observed during the audit.
5. There is effective coordination between various grant owners within the Recreation, Community & Culture (RCC) department.

The following is a summary of findings for areas of improvement:

1. Community Heritage Fund structural improvements: **Low Risk**
2. Community Heritage Fund efficiency improvements: **Low Risk**
3. RCC grant program structural improvements: **Low Risk**
4. RCC grant program efficiency improvements: **Low Risk**
5. Public reporting for RCC grants: **Low Risk**

The City Auditor appreciates the assistance and co-operation from the various staff members who participated in this audit, particularly the Recreation Planner in RCC.

DETAILED FINDINGS AND RECOMMENDATIONS

The City of Burlington operates a wide variety of granting programs to serve various stakeholder community groups. Each grant program has unique objectives, are supported by distinct budgets/reserve funds and are administered by professional staff in multiple departments. More information about each grant program follows:

- Burlington Arts and Culture Fund (BACF):
 - Budget of \$75,000 from Council approved annual operating budget supplemented by \$267,000 reserve fund.
 - Objectives:
 - Encourage social cohesion, enhance quality of life and stimulate cultural and economic development through direct investment
 - Enrich how Burlington residents experience and engage with arts and culture
 - Foster creativity
 - Nurture the quality and capacity of the arts and culture sector in Burlington
 - Highlights: Since the BACF's initial launch in 2018, a total of \$500,000 has been distributed to support the creation and presentation of 127 arts and cultural projects. \$75,000 was distributed to 18 arts and culture projects in 2024.
- Community Development Fund (CDF):
 - Budget of \$32,000 from annual operating budget and supported by Community Investment Reserve Fund (with a balance of \$294,000 as of Dec 31, 2024).
 - Objective: to support community organizations in building capacity to provide programs, services, and events for residents of Burlington
 - Highlights: Grants provided to 14 agencies/organizations in 2024
- Love My Neighbourhood (LMN):
 - Budget of \$32,000 (shared with CDF)
 - Objective: help form connections, strengthen relationships, and build support systems for your community. Grants up to \$500 for neighbourhood events.
 - Highlights: \$53,000 requests from 118 applicants in 2024
- Neighbourhood Community Matching Fund (NCMF):
 - Budget of \$51,500 from annual operating fund
 - Objective: to build community and neighbourhood connections while enhancing parks or other public spaces. Grants available up to \$10,000 for a project with a matching contribution from the community group.
 - Highlights: \$17,900 grants to two organizations in 2024.
- Plumbing Permit Fee Grant Program:
 - Budget of \$40,000 from annual operating budget
 - Objective: to provide residents with financial support for improvements done in homes or businesses to reduce the risk of basement flooding. For clarity this is not a traditional grant program as it strictly refunds the applicable building permit fee for the installation of specific improvements to reduce the risk of basement flooding.
 - Highlights: Between 2014 and 2023, the City of Burlington refunded \$448,928 in building permit fees.

- The Community Heritage Fund (CHF):
 - No annual operating budget however it is supported by a reserve fund of approximately \$168,500
 - Objective: to provide financial support to help with the conservation of a designated heritage property with grants up to 25% of total eligible project costs to a maximum of \$15,000 and/or loans up to 50% of total eligible project costs to a maximum of \$15,000
 - No grants/loans provided in 2024.
- Flood Relief Grant:
 - No annual operating budget as this was an unforeseen weather event; however approximately \$720,000 were provided to affected residents in 2024.
 - Objective: to help affected residents recover from the flooding events on July 15 and July 16, 2024 with a maximum \$1000 grant to residents with confirmed residential flooding not eligible for the Halton Region grant.

The current portfolio of grant programs is not explicitly aligned with Council’s strategic plan (Vision 2040) nor its term workplan (Vision-to-Focus). However, each grant program’s creation can be explicitly tied back to a Council approved bylaw, strategy or policy:

- Burlington Arts and Culture Fund was established through Council approved report PB-58-17 (Arts and Culture Funding Program and Cultural Action Plan in September 2017)
- Community Development Fund (CDF), Love My Neighbourhood (LMN) and Neighbourhood Community Matching Fund (NCMF) were established through report PR-12-15 (Report recommending approval of the Community Investment Policy on December 8, 2015) and Bylaw 115-2015 Community Investment.
- The Plumbing Permit Fee Grant Program was established through report PB-85-14 (Report providing information on a program to assist homeowners with the cost of building permit fees for flooding prevention work in Sept 2014)
- The Community Heritage Fund (CHF) was established by Council in 1985 with Bylaw Number 128-1985 with subsequent updates in 1993 and 2014
- The Flood Relief Grant was established by Council in July 2024 as a response to the July 15 & 16, 2024 flooding event.

Furthermore, the City is not required by legislation or regulation from higher levels of government to provide these grant programs, so in this regard they can be described as discretionary programs rather than mandatory or legislated requirements. However, it is common for other comparable municipalities to operate the same/similar granting programs to their communities. The audit report will not comment upon the justification or rationale for continuing these programs, given they were all duly approved by City Council.

Above and beyond the grant programs reviewed in this audit; City Council also approves grants/loans or other incentive programs to various community stakeholders from time to time; such as BurlingtonGreen who received a \$50,000 ‘fee for service’ grant and the Sound

of Music Festival which receives annual funds in the amount of \$150,000. These financial supports are 'ad hoc' community requests approved by Council.

The principal risk associated with this internal audit is that financial grants may not be administered/approved in a transparent, equitable and accountable manner. This was rated a 'high' risk from an inherent perspective at the beginning of the audit. Through the completion of audit fieldwork and having evaluated the control framework associated with the financial grants in scope; the residual risk rating is 'medium'. Given that the granting processes operate continuously and are highly dependent upon City staff and management with a high volume of grant applications, the residual risk rating may change at any time particularly if there is a higher rate of employee turnover or if the policy framework transforms over time. Other audit risks included: grants may not be successfully contributing to Council's desired strategic objectives and the City may suffer an impaired reputation resulting from grant programs if they are administered inconsistently or ineffectively.

The following are the findings from the audit along with recommendations and Management's Action Plans to address these issues. See Appendix I for further information regarding Internal Audit Standards and Audit Severity Scale.

Finding #1 – Community Heritage Fund (CHF) structural improvements

Risk Ranking

LOW

The following opportunities for structural improvement were observed during the audit:

1. The name of the program does not make it immediately obvious to a potential applicant about the scope/nature of the program. All of municipalities benchmarked through this audit explicitly called their equivalent program a ‘grant’ (example: Town of Oakville “Heritage Grant Program”).
2. The program is structured as a loan and grant. Through comprehensive benchmarking of ten other municipalities, only the City of Burlington offered applicants a loan option. Through discussion with staff, managing a loan is much more administratively burdensome than providing a grant as it involves significant involvement from Legal Services & Finance staff including setting up a lien on the applicant’s property. In the last ten years, only one CHF applicant utilized the loan option. Lastly, this was a previous staff recommendation to Council in report PB-01-09.
3. The demand for the CHF is relatively low; over the last 10 years there have only been 12 grants/loans (at 8 unique properties), including none in 2024. As a result, the balance in the Community Heritage Reserve Fund has been mostly static over the past decade (currently around \$168,500). Per interviews with staff, there are communication tactics including updating the City’s website, attending the 2024 Food for Feedback event and providing handouts to residents during ‘Heritage Week’.
4. The CHF maximum (Grants: 25% of eligible costs to a maximum of \$15,000 or Loans: 50% of eligible costs to a maximum of \$15,000) has been static since 1993. Benchmarking against other ten other comparable municipalities has shown that this amount is consistent, however most other municipalities have a matching rate of 50%. Through discussion with staff, they stated anecdotally that heritage renovations/conservation is often significantly more expensive than the same work at non heritage homes, partially due to the high demand for a limited number of skilled craftspeople of the heritage trades. The low matching ratio may be one reason for the low public demand for the CHF over the last decade.
5. Staff have developed a comprehensive Procedures Manual for the administration of the CHF; however some procedures are out of date and do not match the current business process.

Implication

Although the CHF is a mature program dating back to 1985, it is rarely used by homeowners and therefore may not be providing value in its current form to City residents.

Recommendation

1. Rename the CHF to explicitly refer to it as a grant program, comparable to other municipalities.
2. Restructure the CHF to remove the loan option. Update the Organizational Policy, Procedures Manual, Info Sheet and Heritage Conservation Agreement accordingly.
3. Community Planning staff in consultation with Corporate Communications should develop and execute a communications campaign to provide additional messaging to heritage designated property owners about the existence of the CHF. City staff may consider direct annual mail-outs to heritage designated properties (which is a common tactic in benchmarked municipalities).
4. Increase the matching rate to 50% which is consistent with most other comparable municipalities.
5. Community Planning staff should update the Procedure Manual to reflect the current business process as well as the future state envisioned with all audit recommendations.

Management Action Plan

Person Responsible	Todd Evershed, Supervisor of Special Projects & Urban Design	Completion Date	Q4 2025
<ol style="list-style-type: none"> 1. Chloe Richer (Senior Planner, Heritage) will prepare a staff report to amend the Community Heritage Fund bylaw, renaming the CHF to explicitly refer to its grant program, by Q3 2025. 2. Community Planning will keep the loan option for now and re-evaluate the program after launching a Communications Plan with Corporate Communications and after new Part IV and Part V heritage properties are designated in 2025. 3. Chloe Richer (Senior Planner, Heritage) will consult with Corporate Communications to develop and execute a communications campaign to provide additional messaging to heritage designated property owners about the existence of the Community Heritage Fund, by Q3 2025. 4. Chloe Richer (Senior Planner, Heritage) will prepare a staff report to amend the Community Heritage Fund bylaw, increasing the matching rate to 50%, by Q3 2025. 5. Chloe Richer (Senior Planner, Heritage) will update the Procedural Manual to reflect the current business process as well as the future state envisioned with all audit recommendations, by Q4 2025. 			

Finding #2 – Community Heritage Fund (CHF) efficiency improvements

Risk Ranking

LOW

The following opportunities for program efficiency were observed during the audit:

1. The approval process for the CHF includes initial screening and detailed review by Community Planning staff, then consultation with the Heritage Burlington Advisory Committee for a recommendation to Committee of the Whole, then approved by Council (grants/loans >\$5000). Three levels of review and approval slow down the efficient administration of the CHF for relatively modest grants/loans averaging \$12,000.
2. The CHF application form requires the names and addresses of all contractors and sub-contractors engaged to work on renovation/conservation work. It also requires three contractor quotes (note: only the City of Burlington has this requirement when benchmarked against ten other comparable municipalities). Lastly, the application form requires contractors to be “licensed.” Per discussion with staff, this information does not inform the decision to approve a grant nor are applicants required to take the lowest quote provided. Requesting information from applicants that is not utilized in the application approval process is redundant.
3. The CHF “Info Sheet” provides a comprehensive listing of eligible expenses under the program. However, it does not provide application steps/procedures from the applicant’s perspective; which is a common tactic found in other benchmarked municipalities. In addition, the “Info Sheet” is not published on the City’s website.

Implication

Although the CHF is a mature program dating back to 1985, the administration of the program could be improved from an efficiency perspective.

Recommendation

1. Streamline the CHF approval process to delegate approval of the CHF grant from City Council to the Director of Community Planning for all applications. Work in conjunction with Legislative Services to update the Delegated Authority By-law as required.
2. Rationalize the CHF application form to only collect information from applicants that informs the application approval. Alternatively, update the Info Sheet or Heritage Conservation Agreement to state that the applicant should provide the information if requested.
3. Update the CHF “Info Sheet” to include the application steps/procedures from the applicant’s perspective and post it on the appropriate City’s Heritage webpage.

Management Action Plan

Person Responsible	Todd Evershed, Supervisor of Special Projects & Urban Design	Completion Date	Q2 2025
<ol style="list-style-type: none">1. Jamie Tellier (Director, Community Planning) will work in conjunction with Legislative Services to update the Delegated Authority By-law as required, by Q2 2025.2. Chloe Richer (Senior Planner, Heritage) will work in conjunction with Legislative Services to update the CHF application form, by Q2 2025.3. Chloe Richer (Senior Planner, Heritage) will update the CHR "Info Sheet" to include the application steps/procedures from the applicant's perspective and post it on the appropriate City's Heritage webpage, by Q2 2025.			

Finding #3 – RCC grant program structural improvements

Risk Ranking

LOW

The following opportunities for structural improvement were observed during the audit:

1. CDF and NCMF have a near identical mandate however CDF is typically over-subscribed with its annual budget of \$32,000 while the NCMF has historically had low demand against its \$51,500 budget.
2. The name of all RCC grant programs do not make it immediately obvious to a potential applicant about the scope/nature of the program. The majority of municipalities benchmarked through this audit explicitly called their equivalent program a 'grant' (example: City of Richmond Hill "Community & Cultural Grant Program").
3. The terms and conditions in the CDF Letter of Agreement do not explicitly require the grantees to publically acknowledge the City's grant contribution (i.e. on their public website, event materials or marketing tools). This is a common technique identified in a majority of other municipalities benchmarked for this audit.
4. Within the City's Enterprise Resource Planning tool (Workday); the CDF, LMN and NCMF were combined together into one cost centre that also included numerous other RCC Sports Administration and Community Development initiatives. Secondly, some CDF, BACF and NMCF grants are paid in installments however, staff are not accruing for grant commitments when the second installment is paid in a subsequent year. This means that performing detailed financial analysis (i.e. budget vs. actuals) was not possible without manually intensive filtering and sorting procedures. In January 2025, RCC created a new cost centre for Community Development (separate from Sports Administration), however this still includes multiple other RCC programs including fee waiver, fee assistance, neighbourhood rinks, outreach, community gardens, honorariums etc.
5. Adjudication of the LMN, CDF and NCMF grant is done by RCC staff. Through benchmarking of ten other comparable municipalities, a common technique is to delegate approval to an independent advisory Committee reporting to Council. These Committee have various mandates and compositions but include the following common characteristics: have one elected official from their Council, have other independent community members (i.e. volunteers), meet at a predefined schedule, have a defined Terms of Reference to review and approve Community grants. The cities of Milton, Kitchener, Cambridge, Richmond Hill, Mississauga and Hamilton have adopted this model. Note: the BACF is partially adjudicated by external community members.

Implication

The portfolio of RCC grants is mature and generally operating effectively, however there are some structural/organizational gaps that may prohibit them from performing optimally.

Recommendation

1. Combine the CDF and NCMF programs and remove the matching component.
2. Rename the BACF, CDF and NCMF (if Management opts to retain this program) to explicitly refer to it as a grant program, comparable to other municipalities.
3. Insert a requirement into the CDF Letter of Agreement to publically acknowledge the City of Burlington’s grant contribution where possible.
4. Create unique Workday cost centers for LMN, CDF and NCMF (if Management opts to retain this program) to facilitate clear and efficient financial analysis and reporting. Prepare an annual accrual for Finance if the aggregate grant commitments exceed \$25,000.
5. Create a Grant Advisory Committee to review and approve CDF and NCMF (if Management opts to retain this program) grants over a certain threshold (i.e. \$5000).
6. Conduct a survey of CDF, NCMF and LMN grantees requesting feedback for further improvements. Staff may consider using the City’s Get-Involved survey portal to obtain feedback directly from past grantees.

Management Action Plan

Person Responsible	Emilie Cote, Director, RCC	Completion Date:	Q4 2025
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Denise Beard, Senior Manager Community Development, RCC:

RCC is taking a project-based approach to review its portfolio of grants and funding programs.

Oct 2024 – Jan 2025: Grant Review Phase One - Audit

Phase One in the Grant Review Project requested an audit of key RCC funding programs to provide both operational analysis and objective insights to guide subsequent steps. Benchmarking, findings, and recommendations will serve as the foundation for the Phase Two review. Of primary importance the Audit Report provided assurance that current risk management strategies are effective and maintain Low to Very Low risk ratings enabling the Grant Review to move to this next step.

Jan-Dec 2025: Grant Review:

In the 2025 Department Workplan, RCC initiated a comprehensive review of all grants under its oversight. This initiative will validate the practical effectiveness of the now established Community Investment Policy (CIP) and will continue the development of the community-based adjudication component as originally planned in the policy.

March – Dec 2025: Grant Review Phase Two:

In this Phase a Staff Working Committee - comprised of multiple Grant Stewards and staff with firsthand knowledge of local community organization and neighbourhood needs - will conduct a comprehensive review of all RCC community resource investments. This committee is tasked with:

1. Reviewing all audit recommendations and benchmarking performed by the City Auditor
2. Stakeholder engagement

3. Assessing if the RCC portfolio of community grants, subsidy, support-in-kind and similar investments are meeting community needs most effectively
4. Designing procedural efficiencies
5. Recommending updates to policy and procedures to improve community uptake and satisfaction with funding programs

Emily Beijes, Senior Manager Business Services, RCC:

Jan-March 2025: Refine Workday Configuration for Improved Budget Management

With the recent transition to Workday software, improvements to grant budget financial tracking and year-end accrual transfers are underway to enhance transparency, accuracy, and accountability.

Emilie Cote, Director, RCC:

All audit recommendations will be considered by the Grant Review Working Committee.

Finalized implementation strategies for all process improvements will be reported by Q4 of 2025. Operational approvals will be sought through Management and any recommendations for CIP updates will be directed to Council subsequently as required.

Finding #4 – RCC grant program efficiency improvements

Risk Ranking

LOW

The Recreation, Community and Culture (RCC) division administers the BACF, CDF, NCMF and LMN grants. All of these grant programs have procedures and internal controls designed with reducing risk to the City. However, as a consequence of these procedures, some staff members are spending a majority of their respective time and workload (during peak season) dedicated to relatively small grants. Further details identified below:

1. The application window for LMN and CDF are continuous throughout the year; whereas a majority of other benchmarked municipalities have narrowly defined application windows (i.e. once or twice per year) which assist to optimize staff workload planning and predictability.
2. For BACF, CDF and LMN; some organizations apply for a grant in consecutive years. The City has one standard application process for all organizations (or individuals) regardless of whether they are previous applicants; which results in collecting the same information year-over-year. The cities of Mississauga and Vaughan have a pre-certification process for multi-year applicants which streamlines the application process, and thereby reduces handling times by staff.
3. The City requires BACF, CDF, LMN and NCMF applicants to sign a formal Letter of Agreement at the end of the application process. The majority of other municipalities don't have this requirement instead opting to embed the grant terms and conditions into the application form itself (thereby resulting in one fewer time consuming procedure).
4. The LMN program requires applicants to submit their receipts to evidence the actual expenses incurred to run their event. Most other municipalities don't have this requirement while some require applicants to retain their receipts for random spot audits by staff (completed on a sample basis). Removing the applicant's requirement to provide and review receipts for every \leq \$500 grant will save staff review time and streamline the customer experience.
5. Successful applicants receive payment via a cheque requisition processed by RCC staff. It is common for some applicants to receive grants in two or more installments and in addition, some organizations successfully apply for grants in consecutive years. Therefore, staff are manually processing a cheque requisition multiple times (in some situations) to the same grantee.
6. The cities of Mississauga, Brantford and Hamilton operate an online portal supported by a SaaS vendor for their application intake and workflow management processes. Given the average volume of City grants (~20 for BACF, ~150 for LMN, ~20 for CDF and 2-3 for NCMF), an online tool may assist RCC staff with organizing and managing their grant programs. In contrast, the City currently tracks BACF, LMN, NCMF and CDF grants manually in excel spreadsheets, while supporting evidence for each grantee (i.e. application forms, budgets, Letters of Agreement etc.) are stored in a variety of RCC network drive folders and/or SharePoint.

Implication

Multiple City staff in RCC are responsible for delivering RCC grant programs, which have multiple requirements and procedures designed to reduce risk to the City. These procedures were mostly effective from an internal controls perspective but can cause an administrative burden to the City staff reviewing and adjudicating grant applications (relatively to the modest annual budget) and may also result in an onerous application process for the applicant.

Recommendation

1. RCC should define a specific application window (time period when grant applications are received from the public) for CDF and LMN; and then optimize its staffing around those dates. Should Management accept this recommendation; update the Community Investment Policy accordingly.
2. Re-design the application form for BACF and CDF for applicants who are re-applying in consecutive years to include an attestation that their information is identical from their last application. Alternatively, RCC may consider providing multi-year grants to select organizations which is a common tactic for some municipalities.
3. Re-design the application form for BACF, CDF, LMN and NCMF to include the grant program terms and conditions from the Letter of Agreement.
4. Remove the requirement in the LMN to provide receipts; insert a condition that applicants must retain receipts for a defined period of time (i.e. 3 months after the event) subject to random spot-checking by RCC staff.
5. RCC staff should engage Finance staff to design an inbound EIB (Enterprise Interface Builder) to transfer approved grant installments/payments into Workday from one document to replace multiple manual cheque requisitions where possible.
6. RCC should engage the Burlington Digital Services team to investigate the feasibility of on-boarding an online portal for managing their grant programs.

Management Action Plan

Person(s) Responsible	Emilie Cote, Director, RCC	Completion Date:	Q4 2025
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Similar to Audit Finding #3, all audit recommendations will be considered by the Grant Review Working Committee. Finalized implementation strategies for all process improvements will be reported by Q4 of 2025. Operational approvals will be sought through Management and any recommendations for CIP updates will be directed to Council subsequently as required.

Finding #5 – Public reporting for RCC grants

Risk Ranking

LOW

RCC employs a number of strategies to communicate/publicize its portfolio of grant programs including media releases, social media posts, Councillor newsletters etc. However, the majority of this communication focuses on the availability of grants rather than the outcome or results of the programs. Only the BACF reports back to Council (through the Council Information Package about the grant recipient and amounts granted). The NCMF historically provided an annual media release announcing its recipients and amounts granted; although this did not occur in 2024. A listing of BACF and NCMF grantees are posted publically on the City's website.

Other municipalities including the cities of Cambridge, Hamilton, Kitchener, Mississauga and Richmond Hill (that were benchmarked for the purposes of this audit) provide annual reports to their Councils detailing:

- KPI's such as total applications received, approved, rejected including the dollar values
- Summary of grant recipients including a description of the scope of the grant (i.e. the works performed)
- Qualitative information about the value the grants provide to their communities

Implication

The lack of public reporting about the outcomes/results of the portfolio of RCC grants may result in a lack of public awareness of the value that the grant programs provide to the City of Burlington. In addition, the City forfeits the opportunity to celebrate community successes by not reporting CDF, LMN and NCMF grant recipients to Council.

Recommendation

1. RCC should prepare an annual report to Council through its Committee of the Whole (or alternatively through the Council Information Package) to identify the results of its CDF, NCMF and LMN programs (in coordination with BACF). Reporting to Council should include key performance indicators such as # of applications received vs. approved, dollars granted and a summary of the grant recipients including the scope/nature of the event/project/work completed. Qualitative information such as testimonials from grantees may also be beneficial in this regard.
2. RCC should work in conjunction with Corporate Communications & Engagement to prepare an media release summarizing the information reported to Council.
3. RCC should post this report to its Community Development website in the same manner that NCMF/BACF annual results are publically reported.

Management Action Plan

Person(s) Responsible	Emilie Cote, Director, RCC	Completion Date:	Q4 2025
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Similar to Audit Finding #3, all audit recommendations will be considered by the Grant Review Working Committee. Finalized implementation strategies for all process improvements will be reported by Q4 of 2025. Operational approvals will be sought through Management and any recommendations for CIP updates will be directed to Council subsequently as required.

APPENDIX I – INTERNAL AUDIT STANDARDS & FINDING SEVERITY SCALE

Rating	Definition
HIGH	<ul style="list-style-type: none"> Residual risk is very high or high Key control does not exist, is poorly designed or is not operating as intended Serious non-compliance to policy or regulation May result in immediate or material loss/misuse of assets, legal/regulatory action, material financial statement misstatements, etc. Indicates a serious control weakness/deficiency requiring immediate action by Senior Management
MEDIUM	<ul style="list-style-type: none"> Residual risk is medium Key controls are partially in place and/or are operating only somewhat effectively Some non-compliance to policy or regulation May negatively affect the efficiency and effectiveness of operations and/or financial reporting accuracy Indicates a control concern requiring near-term action be taken by Management
LOW	<ul style="list-style-type: none"> Residual risk is low to very low Key controls are in place, but procedures / operations could be enhanced Minor non-compliance to policy or procedures May result in minor impact to operations or operational inconvenience to staff and management Indicates a control improvement opportunity for which longer-term action may be acceptable

AUDIT METHODOLOGY

The City Auditor relied upon interviews with staff in various City department to develop a detailed understanding of the grants process, examination of audit evidence from a sample of transactions from across the corporation, testing to validate the compliance against internal policies and procedures, reviewing the design of related policies/procedures and benchmarking the City's portfolio of grant programs against 10 other comparable municipalities including: Oakville, Milton, Brantford, Kitchener, St. Catharines, Cambridge, Richmond Hill, Mississauga, Vaughan and Hamilton.

AUDIT CONCLUSIONS

The conclusions reached in this report are based upon information available at the time. The overall audit conclusion is only applicable to the function/scope within this audit. It reflects the professional judgment of the Office of the City Auditor based upon the examination of documents against audit criteria as identified in the scope of the audit.

REASONABLE ASSURANCE

This conclusion is intended to provide reasonable assurance regarding internal controls. There are inherent limitations in any controls, including the possibility of human error and the circumvention or overriding of controls. Accordingly, even effective controls may provide only reasonable assurance with respect to City operations.

SUBJECT: Audit Plan for office of the city auditor 2025

TO: Audit Committee

FROM: Corporate Affairs
City Auditor

Report Number: AUD-05-25

Wards Affected: Not applicable

Date to Committee: March 5, 2025

Date to Council: March 18, 2025

Recommendation

Approve the Audit Plan for office of the city auditor 2025 attached in Appendix-A of report AUD-05-25.

Executive Summary

Purpose of report:

- To request approval of the 2025 Audit Plan for Office of the City Auditor.

Key findings:

- An annual risk-based audit plan with approval by the Audit Committee is a requirement of the *Global Audit Standards*.
- Audit Committee provided direction to include a Development & Growth Management Audit in the 2025 Audit Plan on December 4, 2024. This plan satisfies that requirement.
- The rationale, associated risks and high-level scope of work is included for each audit project in Appendix-A.

Implications:

- There is no immediate financial impact from approving this annual audit plan however, staff time will be modestly impacted in each affected department.

Recommendation Report

Background

Standard #9.4 of the Global Internal Audit Standards published by the Institute of Internal Auditors (IIA) require:

“The chief audit executive must base the internal audit plan on a documented assessment of the organization’s strategies, objectives, and risks. This assessment must be informed by input from the board and senior management as well as the chief audit executive’s understanding of the organization’s governance, risk management, and control processes. The assessment must be performed at least annually.”

The annual audit plan is effectively a workplan for the Office of the City Auditor and is required to be approved by the Audit Committee. The objectives of the 2025 Audit Plan are to:

1. Provide assurance to Audit Committee and Management that business processes and internal controls are operating effectively, efficiently and in compliance with City’s policies and procedures.
2. Focus internal audit resources and attention on high-risk areas
3. Identify incremental improvements within City operations
4. Provide value through meaningful recommendations to Management and staff

The mandate of the Office of the City Auditor was previously reviewed and approved by Audit Committee in report #[CA-15-24](#). This document (called an Internal Audit Charter) describes the mission, objectives and responsibility of the Office of the City Auditor. The creation of the annual audit plan fulfills the professional obligation for internal auditors and requirements under the Internal Audit Charter.

Analysis

The proposed 2025 Audit Plan was informed by the following sources:

1. A corporate-wide inherent risk assessment
2. A jurisdictional scan of internal audit plans in 24 other municipalities
3. Consultation with members of the Audit Committee and Senior Management

These sources were described in detail and attached as appendices in report [CA-20-24](#).

At the December 4, 2024, meeting of Audit Committee, the following motion was approved:
Refer Item 4.2 Annual Audit Plan for the Office of the City Auditor CA-20-24 back to the City Auditor and report back at the March 5, 2025, Audit Committee meeting and include an audit in the development and growth management department in the 2025 Audit Plan.

Following this staff direction, the City Auditor undertook the following work:

1. Performed a scoping exercise to identify potential audit areas in the Development and Growth Management department. This exercise included research, benchmarking against other municipalities, review of prior audit material, etc.
2. Identified a short list of potential audit areas based on this scoping exercise and circulated it with members of the Audit Committee. The short-list of potential audits identified specific business programs, functions, projects or programs within the Community Planning or Building Services divisions. These included:
 - Housing Accelerator Fund Action Plan (HAF) – Performance Audit
 - Development Applications Review – Performance Audit
 - Development Applications Fee (Cost Recovery Model) – Financial Audit
 - Committee of Adjustment Audit – Follow-up Performance Audit
 - Building Permit application process – Operational Audit
3. Conducted interviews with members of Audit Committee to solicit additional feedback to identify one or more focus areas. Consultation with the Commissioner of Development and Growth Management and other select staff also occurred to discuss prior continuous improvement initiatives, potential audit scope and timing.
4. Updated the 2025 Audit Plan. This report seeking approval from Audit Committee concludes the staff direction.

The resulting (amended) Audit Plan identified in Appendix-A identifies five projects recommended to be performed by the City Auditor during the year. This detailed appendix also identifies the scope/objectives, rationale and inherent risks for each audit project. The table below summarizes the 2025 Audit Plan at a high level:

Audit Project	Project Type	Last Time Audited	Dept.	Proposed Timeframe	Budgeted Time (hrs.)
Cash Handling/Revenues <i>(carry-forward from 2024)</i>	Operational & Compliance Audit	2017	Finance & Corporate -wide	Q1-Q2 2025	140
Fleet Services: AVL post-implementation	Performance Audit	Never	Roads, Parks, Forestry &	Q1-Q2 2025	245

			Corporate -wide		
Development Applications Review	Performance Audit	Never	Community Planning	Q3 2025	315
Procurement Card (P-Card) Audit	Compliance Audit	2019	Finance	Q4 2025	210
Whistleblower Policy & Program implementation	New corporate initiative	N/A	Corporate -wide	Full year 2025	105

In addition to performing the audit projects identified in Appendix-A, the City Auditor also sets time aside for:

1. Advisory services to Management in the areas of risk management, internal controls, fraud, governance and/or performing investigations (as required)
2. Following-up with management on historical audit findings
3. Reporting quarterly to the Audit Committee
4. 2026 Audit Planning
5. Facilitating a quality assurance review of the City Auditor’s working papers
6. Assisting the External Auditor (if required)
7. Administrative time/professional development/team meetings with Corporate Affairs

The City Auditor will report to the Audit Committee on a quarterly basis with a status update of each approved audit project, completed Audit Reports and a dashboard of performance measures. Throughout 2025, the City Auditor will be responsive and flexible to accept new assurance or advisory projects identified by the Audit Committee or the Burlington Executive Leadership Team. The Audit Committee has the discretion to amend the Annual Audit Plan through a staff direction voted on by a majority of members.

Recommendation Details

The Development Applications Review is being recommended for approval by Audit Committee as a part of the amended 2025 Audit Plan. This audit was selected following discussion of the short list of potential audits with Audit Committee members and Management. A financial audit of the Development Applications Fee (Cost Recovery Model) will be considered for the 2026 Audit Plan pending further discussion with Audit Committee members and Management.

Key Dates & Milestones

The key dates for each audit is identified in the table above and further detailed in Appendix-A.

Implications

The procurement of third-party consultants with expert skill and knowledge for specific assurance services is required, particularly in small internal audit departments. Third-party experts may be required to support the execution of the Development Application Review, in which case the City Auditor will act in accordance with existing policies and the City's Procurement By-Law to facilitate these procurements. The annual budget for audit fees approved by Council through the annual operating budget is \$42,000.

Staff time will be modestly impacted for every audit project approved in this amended Audit Plan. Staff ranging from the Commissioner down to front-line staff typically participate in the audit process, including attending kick-off and closing meetings, retrieving requested documentation, assisting with mapping current state business processes, facilitating on-site fieldwork, etc. As a working estimate, for every hour of internal audit staff time, approximately 10 - 15 minutes is required from management and staff within the audit unit. For example, if an audit is expected to take 100 hours to complete from the initial planning to the final reporting, then there is a reasonable expectation management and staff time (collectively) will require up to 16 - 25 hours in total time.

An audit of the Council approved environmental strategies was approved in 2023 Audit Plan and reported to Audit Committee on Dec 6, 2023, as report #CA-12-23. There are no further climate-related audits recommended through this Audit Plan.

The proposed audits will be performed mostly remotely which will save vehicular trips to City facilities, thereby reducing greenhouse gas emissions. Meeting materials and audit evidence will be entirely sent electronically, thereby reducing the consumption of paper.

References

[CA-20-24](#) 2025 Audit Plan for Office of the City Auditor (Dec 4, 2024)

[CA-15-24](#) Internal Audit Charter - update

Strategic Alignment

- Designing and delivering complete communities
- Providing the best services and experiences
- Protecting and improving the natural environment and taking action on climate change

Driving organizational performance

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Appendices:

A. Appendix-A: Detailed 2025 Audit Plan

Report Approval:

All reports are reviewed and approved by the Head of Corporate Affairs, Chief Financial Officer, and Commissioner of Legal and Legislative Services/City Solicitor.

Audit Project	Project Type	Last Time Audited	Dept	Proposed Time period	Budgeted Time (hrs.)	Scope, Rational, Risks
Cash Handling/Revenues (carry-forward from 2024)	Operational & Compliance Audit	2017	Finance & Corporate-wide	Q1-Q2 2025	140	<p>Scope: Review the internal control framework around cash handling across the City's service areas that accept payment for goods/services at the Point-of-Sale for compliance to the City's policies and procedures. For clarity, this includes cash, cheques, credit card, debit cards, gift cards, play-passes etc. as aligned to definition of cash handling in the Cash Handling Policy. Technology controls including access privileges in the point-of-sale system will be reviewed. The audit is currently in-progress and will be completed early 2025. Note: this audit is already underway.</p> <p>Rationale: Cash is the City's most liquid asset and is regularly received as payment from customers in multiple service areas including Transit, RCC, Transportation (Parking), Service Burlington, Finance, Building, Animal Services etc. As a liquid asset, cash is susceptible to fraud or misappropriation (common in most organizations). Lastly, the City has implemented two new Point-of-Sale systems across the City since the last audit in 2017.</p> <p>Risks: The risk of fraud or misappropriation may occur, thereby incurring financial losses or reputation damage to the City.</p>
Fleet Services: AVL post-implementation	Performance Audit	Never	Roads, Parks, Forestry & Corporate-wide	Q1-Q2 2025	245	<p>Scope: Assess the success of the implementation of the City's Automated Vehicle Location (AVL) Project. Review the performance of the AVL Program to determine whether City service areas are utilizing the new fleet tools and capabilities within the system as described in the original business case.</p> <p>Rationale: Council approved a capital budget of \$1.795M for this multi-year project in 2020. The system has been widely implemented to 250 City vehicles across 19 service areas. As a high-profile corporate project, multiple staff are impacted with varying roles and responsibilities which increases the complexity of the program.</p> <p>Risks: The City may not be receiving value-for-money for its investment into this AVL system if it has not been successfully implemented and if staff are not utilizing the capabilities and tools built into the system.</p>
Development Applications Review	Performance Audit	Never	Community Planning	Q3 2025	315	<p>The objective of this audit is to assess the operational effectiveness of the development application review process. The audit will review the workflow of a sample of development applications through their entire lifecycle from pre-consultation to Council approval (and appeal if required). The focus of the audit will be on the timeliness within each step of the application process and to identify training, technology or process gaps. Benchmarking will be performed for approval timelines against other comparable municipalities in the Sept 2024 BILD Greater Toronto Area Municipal Benchmarking Study (where data is available).</p>
Procurement Card (P-Card) Audit	Compliance Audit	2019	Finance	Q4 2025	210	<p>Scope: The audit will assess the adequacy of controls over purchases made with corporate procurement cards (P-Cards). It includes an assessment of the P-Card policies and procedures as well as determining the extent of user compliance through transactional data analytics and testing.</p> <p>Rationale: Thousands of transactions through P-Cards valued over ten million dollars are processed annually at the City of Burlington; the high volume, high frequency (in some departments) and high dollar value of transactions increases the risk of error, omissions and/or fraud.</p> <p>Risks: Multiple risks exist in the area of corporate P-Cards including: theft/loss of a P-Card, intentional acts to defraud or misappropriate property or assets from the City, unauthorized transactions, inefficient or untimely processing of P-Card transactions, etc.</p>
Whistleblower Policy & Program implementation	New corporate initiative	N/A	Corporate-wide	Full year 2025	105	<p>The City Auditor is working in conjunction with HR to develop a new Whistleblower Policy and Program for City employees; this work has transitioned from a minor advisory engagement in 2024 to a full project and operationalization in 2025. This work is underway and includes: benchmarking against other similar municipalities, researching third-party companies who provide whistleblowing services to municipalities, designing the organizational policy and procedures, procuring a third-party vendor who will manage the intake process, working with Corporate Communications to develop an internal communications plan and implementing the program in 2025 (tentatively booked for end of Q2 2025). Thereafter, this will be an operational program co-managed by the City Auditor and CHRO.</p>

SUBJECT: Performance management process for the City Auditor

TO: Audit Committee

FROM: Corporate Affairs

City Auditor

Report Number: AUD-06-25

Wards Affected: Not applicable

Date to Committee: March 5, 2025

Date to Council: March 18, 2025

Recommendation

Approve the performance management process and goals for the City Auditor identified in office of the city auditor report AUD-06-25.

Executive Summary

Purpose of report:

- To provide an update related to the performance management process by which the Audit Committee oversees and manages the performance of the City Auditor.
- To request the Audit Committee's approval over the 2025 performance management process and goals.

Key findings:

- The Audit Committee's Terms of Reference identify their responsibility for monitoring and evaluating the performance of the City Auditor.
- The performance management process described in this report is mostly consistent with 2024, however with new performance goals.

Implications:

- There are no immediate financial implications from this report however, the final rating by Audit Committee will inform the merit portion of the compensation adjustment performed annually by HR.

Recommendation Report

Background

Section iii of the Audit Committee’s Terms of Reference (approved June 2024 in report # CL-13-24) state that the responsibilities of the Audit Committee include:

“Monitor and annually evaluate the performance of the City Auditor in carrying out the approved audit work plan and other established goals.”

The City of Burlington operates a model for the internal audit function based upon the [Global Auditing Standards](#). Under this model, the City Auditor has a degree of independence from Management and front-line staff and, therefore, reports functionally to the Audit Committee. Ultimately, the Audit Committee has the authority to hire, terminate, and evaluate the performance of the City Auditor, which is defined in its [Terms of Reference](#). Under this model, it would be inappropriate for a member of staff to perform the annual performance review as it may lead to a conflict of interest for future internal audit projects.

This report provides an update for the annual performance management process to be co-facilitated by the Chair of the Audit Committee and Head of Corporate Affairs. This process is also consistent/aligned with the Institute of Internal Auditors (IIA) recommended Practice Guide and the City of Burlington’s Audit Charter (a policy document approved by Audit Committee in September 2024 as report # [CA-15-24](#)). This process was originally approved in report [CA-07-23](#) on June 14, 2023 and subsequently implemented in 2023.

Analysis

The Performance Management process for the City Auditor is consistent with 2024 and will contain the following actions:

Action item	Detailed description	Accountable individual(s)	Timing
Annual Workplan	Prepare risk-based Annual Audit Workplan	City Auditor	March 5, 2025
Quarterly updates	Quarterly dashboard with City Auditor KPIs reported to Audit Committee	City Auditor	Quarterly (on-going)
Survey	Online survey for Audit Committee members to complete re: City Auditor performance	Audit Committee; Facilitated by Head of Corp Affairs	Q3 2025

'In-camera' Meeting	Audit Committee to meet 'in-camera' to discuss City Auditor's performance	Audit Committee; Co-facilitated by Chair, Audit Committee and Head of Corp Affairs	Dec 3, 2025
Deliver Results	Final meeting with City Auditor to discuss results of performance assessment. Provide results to Human Resources	Chair of Audit Committee, City Auditor & Head of Corp Affairs	Q4 2025 (*after Dec 3)

The City Auditor's 2025 performance goals and key performance indicators (KPIs) are identified below (with annualized targets):

Theme	Goals / Key Performance Indicator (KPI)	Annual Target
Output	Completion of the Annual Audit Plan	100%
Output	Percentage of audit recommendations accepted by Management	95%
Awareness	Percentage of public awareness of the Office of the City Auditor function through its reporting to Audit Committee (*NEW*)	Increase 15% YOY
Quality	Post Audit Survey – average score	85%
Education	Complete Certified Information Systems Auditor certification (*NEW*)	Q4 2025

The successful execution of these goals will support City Council's strategic plan ([2022-2026 From Vision to Focus](#)), Area #4 Driving Organizational Performance.

Recommendation Details

The output and quality performance goals are consistent with last year; these are generally common goals/KPIs for Directors of Audit in most public and private sector organizations. The performance goal of raising public awareness is a new performance goal related to a new corporate-wide strategic theme of "*Building Transparency and Trust*". The objective of this performance goal is for the Office of the City Auditor to align with the new corporate-wide Performance Development & Growth process. With the assistance of the Corporate Communications and Engagement team, the City Auditor will measure the number of page views and unique visitors of Audit Committee reports on the City's website per year.

The education goal of completing the CISA certification is a new personal development goal. This is a globally recognized professional certification for information security auditors and broadly speaking is related to increasing the capability to perform complex cyber-security and

information technology audits at the City.

Key Dates & Milestones

Timing of each action in the performance management process is identified in the table above.

Implications

There are no immediate financial implications from this report, however the final rating by Audit Committee will inform the merit portion of the compensation adjustment performed annually by HR. The City Auditor's performance-related merit increase falls within the City's established merit funding envelope, as allocated in the base operating budget.

This process is predicted to take approximately 1-3 hours per year for the Chair of Audit Committee and Head of Corporate Affairs (combined) as the co-facilitators for this process.

References

[CA-07-23](#) Performance Management process for Office of the City Auditor (2023)

[CA-04-24](#) Performance Management process for Office of the City Auditor (2024)

[CL-13-24](#) Audit Committee terms of reference – update

[CA-15-24](#) Internal Audit Charter - update

Strategic Alignment

- Designing and delivering complete communities
 - Providing the best services and experiences
 - Protecting and improving the natural environment and taking action on climate change
 - Driving organizational performance
-

Author:

Respectfully submitted,
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Appendices:

A. Appendix A: Performance Management Rating Scale

Report Approval:

All reports are reviewed and approved by the Head of Corporate Affairs, Chief Financial Officer, and Commissioner of Legal and Legislative Services/City Solicitor.

AUD-06-25 Appendix-A: Performance Management Rating Scale



Highly Effective	Performance is at an exceptional level in all areas <ul style="list-style-type: none"> • Is self directed and capable of dealing with complex issues, without guidance • Leads and manages through challenging issues successfully • Anticipates risk and then manages to a positive outcome • Others seek them out for their expertise • Is an inspiring leader who coaches and contributes to the development of others
Performing Successfully	<ul style="list-style-type: none"> • Valued contributor • Asset to the organization • Quality and quantity of work consistently meets and, on occasion, may surpass performance expectations • Demonstrated ability to deliver results • Knowledge, skills or attitude that meet and/or on occasion exceed expectations • Identifies and seeks opportunities for continuous improvement within the role • Good solid performer, no concerns in ability or effort, successful
Developing	<ul style="list-style-type: none"> • Employee is developing and/or learning a new role/competency • Potential and ability to be fully successful identified
More is Expected	<ul style="list-style-type: none"> • Performance has slipped below expectations • Meets some but not all performance expectations, may be inconsistent • Some improvement needed
Underperforming	<ul style="list-style-type: none"> • Significant and immediate improvement needed • Consistently low work output, may have high error rate or require others to complete the task • Did not meet performance expectations • Performance management plan may be required